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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, September 2

NIKKEI (Page 2) (Full)
September 3, 2009

08:03 Took a walk around the official residence.
10:31 Met with Bhutan Prime Minister Thinley at the Kantei.
11:16 Award ceremony for distinguished service in disaster preparedness, followed by a photo session.
12:35 Chief Cabinet Secretary Kawamura.
13:26 Met with State Minister for Science and Technology Policy and Lawmaker Masuo Aizawa of the Council for Science and Technology

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Council, and Assistant Deputy Chief Cabinet Secretary Fukuda. Then met with incoming and outgoing Vice Defense Minister Nakae and Masuda.

15:27 Met with former prime minister Mori.
17:01 Met with Secretary General Hosoda, Policy Research Council Chairman Hori and General Council Chairman Sasagawa. Kawamura was present and stayed behind.
18:06 Met with Deputy Chief Cabinet Secretary Uruma.
19:05 Dined with members of his support group at Tawashita, a restaurant in Higashi-Azabu.
22:23 Arrived at the official residence.

4) DPJ President Hatoyama's Schedule

September 3

09:06: Left his residence in Denenchofu
09:53: Met with Chairman Tanaka of the Tokyo Metropolitan Assembly
11:52: Suichuka, a restaurant in Hirakawa-cho
12:19: Arrived at the party headquarters
14:00: Meeting of the Central Executive of the Japanese Trade Union Confederation at Raporu Nikkyousai in Yamabuki-cho. Secretary General Okada also attended.
15:13: Met with Upper House member Yoshihiro Kawakami, followed by Lower House member Kenko Matsumoto.
16:20: Met with DPJ abduction issue measures headquarters chief Nakai, followed by Deputy President Kan.
17:12: Met with Social Democratic Party leader Fukushima. SDP Secretary General Shigeno and DPJ Executive Office chief Hirano were present.
17:30: Arrived at the party headquarters.
19:40: Arrived at his residence.
22:49: Arrived at the party headquarters.

September 3

00:09: Telephone conversation with U.S. President Obama.
01:05: Arrived at his residence.

5) Hatoyama, Obama agree to firmly maintain bilateral alliance

NIKKEI (Page 1) (Full)
September 3, 2009

Democratic Party of Japan (DPJ) President Yukio Hatoyama held a telephone conversation with U.S. President Obama for about 10 minutes early this morning. Hatoyama and Obama agreed that it would be important to firmly maintain the bilateral alliance between Japan and the United States. Hatoyama clarified his intention to attach importance to bilateral relations between the two countries, saying, "We would like to build a constructive, future-oriented relationship between our two countries."

Obama called Hatoyama to congratulate him on the DPJ's victory in the recent election for the House of Representatives. Hatoyama quoted Obama as saying, "The two democratic parties won on both

sides of the ocean."

Hatoyama expressed his gratitude to Obama, saying: "This is the first time for Japan to undergo a change of government through the democratic process. It's thanks to you. Change needs courage, but you and the American people encouraged me."

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Hatoyama also told Obama that he would like to meet with Obama when he addresses the United Nations General Assembly in New York and attends a Group of Twenty (G-20) summit in Pittsburgh.

6) In telephone conversation, Hatoyama tells Obama that Japan-U.S. alliance is cornerstone of Japan's diplomacy

ASAHI (Page 1) (Full)
September 3, 2009

Democratic Party of Japan (DPJ) President Yukio Hatoyama talked by telephone for about 12 minutes with U.S. President Barack Obama early in the morning on Sept. 3. According to Hatoyama, he told Obama: "The Japan-U.S. alliance is the cornerstone of Japan's diplomacy. I want to build a constructive, future-oriented Japan-U.S. relationship." He also told Obama:

"You have exercised your initiative in dealing with climate change and nuclear disarmament issues. Our party feels the same way as you. I also want to work together in resolving economic issues."

Hatoyama said that they agreed to develop the Japan-U.S. relationship while keeping pace on these issues.

The telephone call was requested by the U.S. side. According to Hatoyama, Obama congratulated the DPJ on its victory in the recent House of Representatives election, and Hatoyama responded:

"Thanks to your victory (in the presidential election), our party managed to win the general election. Bringing about change requires courage. The American people and the President gave the Japanese people courage (to change the government)."

Moreover, referring in the telephone conversation to his planned visit to the United States to attend such international conferences as the UN General Assembly, Hatoyama told Obama: "I hope to meet with you as soon as possible," conveying his hope for an early summit between the two.

7) Hatoyama, Obama agree on Japan-U.S. alliance as "cornerstone" in first teleconference

YOMIURI (Top play) (Full)
September 3, 2009

Democratic Party of Japan (DPJ) President Yukio Hatoyama had his first telephone conversation with U.S. President Barack Obama for about 10 minutes at the party headquarters in the early hours of September 3. The two leaders agreed the Japan-U.S. alliance is the cornerstone and on cooperation in such issues as climate change, eradication of nuclear weapons, and economic stimulation measures after the launch of the new Japanese administration.

This teleconference was proposed by the U.S. side to extend the President's congratulations to Hatoyama for his victory in the recent House of Representatives election.

The President noted that "the Democratic Party won on both sides of the ocean" and conveyed his congratulations on the DPJ's landslide victory following his own victory in the presidential election.

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"The DPJ won thanks to President Obama," responded Hatoyama. "Japan has achieved a change of administration through a democratic process

for the first time. The President gave the Japanese people courage to change."

Hatoyama added, "We would like to build a constructive future-oriented Japan-U.S. relationship. The President is exercising leadership on the issues of climate change and elimination of nuclear weapons. We are a party with the same thinking. We would also like to cooperate closely on economic issues in order to improve (the economic situation)."

In response to the President's proposal to strengthen bilateral relations, Hatoyama told Obama "we also regard the Japan-U.S. alliance as the cornerstone." He added, "I would like to attend the financial summit and the UN General Assembly if possible and would like to meet with you at an early date."

After the teleconference, Hatoyama told reporters the two leaders had "confirmed that the bilateral alliance is the cornerstone." No Ministry of Foreign Affairs official was present during the conversation.

After being elected as prime minister on September 16, Hatoyama is expected to visit the U.S. in late September to attend the UN General Assembly and other international conferences. He intends to meet the President and build a relationship of trust with him during this trip.

8) DPJ begins coalition talks with SDP, PNP, proposes "equal Japan-U.S. relationship" in draft policy agreement

YOMIURI (Page 1) (Excerpts)
September 3, 2009

On September 2, the Democratic Party of Japan (DPJ), the Social Democratic Party (SDP), and the People's New Party (PNP) began negotiations for forming a coalition government. They agreed to draft soon an agreement on forming the coalition. The agreement will contain provisions for countermeasures against the new influenza and timely disaster prevention measures, in addition to the common policies compiled by the three parties for the House of Representatives election in August. The three parties aim to sign the agreement before DPJ President Yukio Hatoyama is elected as prime minister at the special Diet session on September 16. The key issue will be how to handle foreign and security policies.

DPJ Policy Research Committee Chairman Masayuki Naoshima presented a document entitled "(draft) policy agreement for establishing a coalition government" at his meeting in the Diet building with SDP and PNP policy officers Tomoko Abe and Shozaburo Jimi. The draft agreement contains two additional provisions on new influenza countermeasures and disaster prevention in addition to the six previous common policies. As for foreign and security policies, the draft advocates "building a close and equal Japan-U.S. alliance relationship" and "exerting every effort to make North Korea halt its development of nuclear weapons and missiles and to seek a solution to the abduction issue."

The SDP and the PNP agreed to the provisions on new influenza and disaster prevention. However, the SDP asserted that a solution to the problem of U.S. military bases in Japan and the codification of

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the three non-nuclear principles should be included. The three policy officers will resume discussions on September 3.

9) LDP-New Komeito administration asked U.S. to strengthen nuclear umbrella, according to congressional testimony by U.S. official in charge

AKAHATA (Top play) (Abridged slightly)
September 3, 2009

Japanese government representatives under the LDP-New Komeito administration asked the United States to strengthen its nuclear umbrella by presenting specific capabilities to a congressional panel to assess the U.S. nuclear strategy, such as weapons that can

penetrate hard targets with minimum collateral damage. This was revealed in a testimony by John S. Foster, 86, the panel's chair, before the Senate Committee on Armed Services on May 7.

Following the U.S. Obama administration's declaration to aim for a world without nuclear weapons, momentum is gathering in the international community toward the elimination of nuclear weapons. Under such circumstances, attention is focused on how the next administration led by the Democratic Party of Japan (DPJ) expected to be launched on Sept. 16 will modify such a stance and address the question of the nuclear umbrella.

Foster indicated that some allies expressed concerns during the panel's meeting. He also made the following testimony on Japan:

"In particular, the representatives from Japan have described in some detail the kind of capabilities that they believe the U.S. nuclear umbrella should possess and so they have talked about capabilities that are - that can be stealthy and they can be transparent and they can be prompt, and then they would like capabilities that can penetrate hard targets with minimum collateral damage"

He also said, "Those are not the characteristics that we currently deploy," adding that in order to respond to concerns of the allies, the question is whether or not organizations manufacturing and developing nuclear weapons can conduct nuclear tests, which are now suspended, for developing new types of nuclear weapons.

10) DPJ, coalition partners to forgo talks on foreign, security policies

MAINICHI (Page 1) (Abridged)
September 3, 2009

The Democratic Party of Japan (DPJ) yesterday started policy talks with the Social Democratic Party of Japan (SDP) and the People's New Party (PNP) in order to launch a coalition government. The three parties concurred on their common policies, with the exception of foreign and security policies. They have put off reaching a conclusion on foreign affairs and security issues. The SDP proposed setting up a consultative body to coordinate the ruling parties' policies. However, the DPJ withheld its answer. The three parties will resume their policy talks today, aiming to reach an agreement tomorrow for their coalition.

The three parties held a meeting of their policy chiefs in the Diet yesterday afternoon, with the participation of Naoyuki Naoshima from

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the DPJ, Tomoko Abe from the SDP, and Shozaburo Jimi from the PNP.

On foreign and security policies, Abe sought to revise the Japan-U.S. Status of Forces Agreement. In addition, she also called for legislating Japan's self-imposed three nonnuclear principles of not producing, possessing, or allowing nuclear weapons into the country. The three parties have forgone their conclusion. Abe proposed setting up a consultative body for the ruling parties to discuss policies. However, Naoshima went no further than to say, "This is a matter to be discussed at the level of DPJ President Yukio Hatoyama and Secretary General Katsuya Okada."

In the area of foreign relations and security issues, the SDP clarified its stance against the Maritime Self-Defense Force's ongoing antipiracy mission in waters off the eastern African coast of Somalia. The DPJ has accepted the MSDF's antipiracy mission there without calling for its immediate withdrawal. Given this, the three parties will probably encounter twists and turns in their policy talks over these issues.

11) First DPJ-SDP-PNP talks held on establishing coalition government; Aim to reach agreement this week; Common policies confirmed

ASAHI (Top play) (Excerpts)
September 3, 2009

The Democratic Party of Japan (DPJ), the Social Democratic Party (SDP), and the People's New Party (PNP) held their first policy meeting in the Diet building yesterday evening on launching a tripartite coalition government. They agreed to address the new influenza and heavy rains in addition to a set of common policies that was formulated before the (Aug. 30) general election. A solution to foreign and security policies on which the three parties are split has been postponed. Representatives of the three parties will meet again this evening with the aim of reaching an agreement before the end of the week.

The common policies include a policy of maintaining the current consumption tax rate until the next general election, the abolition of the medical insurance system for people 75 and older, and the creation of a child-rearing allowance. The three parties intend to reach a coalition government agreement that covers foreign and security policies, which are not specified in the common policies. The establishment of a policy coordination body among the three ruling parties, a strong proposal by the SDP, is also a point at issue.

Yesterday's talks were attended by DPJ Policy Research Committee Chairman Masayuki Naoshima, SDP policy board head Tomoko Abe, and PNP policy board head Shozaburo Jimi. In the session, the DPJ presented a draft plan including five security-policy items: (1) equal Japan-U.S. relations; (2) building an East Asia Community; (3) elimination of nuclear weapons; (4) a solution to the abduction issue, and (5) efforts to curb global warming. The SDP called for a reference to a revision of the Status of Forces Agreement. The DPJ will present a new plan. The PNP sought a drastic review of the postal businesses without fail.

The SDP remains unyielding about setting up a policy coordination organization. The SDP apparently intends to simply confirm policies in outline without going into the controversial details to make it

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easier for its views to be reflected in common policies when tough issues crop up after joining the new administration.

But coordination of policies by the ruling parties outside the cabinet might run counter to the DPJ's goal of a unified decision-making system by the government and the ruling parties. As such, Naoshima stopped short of replying by simply saying that he will consult with the party president and secretary general.

12) Gist of draft agreement on coalition government

NIKKEI (Page 2) (Full)
September 3, 2009

Q Implement measures against new strains of flu
Q Promptly deal with damage caused by torrential rains, earthquakes and climate change
Q Build a close and equal alliance relationship with the U.S. by establishing a proactive diplomatic strategy
Q Aim to build an East Asian community
Q Stop North Korea from developing nuclear arms and missiles and exert all-out efforts to settle the abduction issue
Q Spearhead the movement to eliminate nuclear weapons

The following are the same as the common policies the three parties - the Democratic Party of Japan, the Social Democratic Party and the People's New Party - compiled on August 14 for the Lower House election.

Q Do not raise the sales tax while in power
Q Take a second look at the four separate postal services
Q Set up child allowances
Q Scrap the current policy of curbing growth in social security spending to 22 billion yen
Q Adopt a pension system combining a contribute-as-you-earn system and a minimum guarantee system.
Q Ban, in principle, a registration-based worker dispatching service system and dispatching workers to manufacturing firms.

Q Set up a job seekers assistance system for people in vocational training.

Q Raise the minimum wage level

Q Substantively transfer administrative authorities to local governments by legislating talks between the central and local governments

Q Compensate individual farm households' incomes

13) Three-party coalition talks: DPJ presents draft policy proposals; SDP demands coordination body

TOKHYO SHIMBUN (Top Play) (Full)
September 3, 2009

The Democratic Party of Japan (DPJ), the Social Democratic Party (SDP), and the People's New Party (PNP) on September 2 formally entered into talks for the establishment of a coalition government. The DPJ presented a draft policy agreement that included five points relating to security and foreign relations, among which were a close and equal relationship of alliance between Japan and the U.S., building an East Asian community, and spearheading the movement to abolish nuclear weapons to eliminate threats of terrorism. The SDP and the PNP took the proposals to their headquarters to be ready for the second-round meeting to be held on the evening of the 3rd.

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During the meeting the SDP called for establishing a coordination body involving the three parties. The PNP is expected to support the proposal. Foreign relations and security policies, over which the SDP and the DPJ are at odds, and how to coordinate differences in each party's policy stances will become the focus of the coalition talks.

DPJ President Hatoyama will launch a coalition government, following his nomination for prime minister at the special Diet session to be convened on the 16th. The three parties will aim to reach an agreement before the end of the week.

The meeting brought together Masayuki Naoshima, DPJ Policy Research Council Chairman; Tomoko Abe, the head of the SDP policy board; and Shozaburo Jimi, the chief of the PNP policy board.

The draft proposals presented by the DPJ are based on common policies the three parties compiled for the Lower House election, including maintaining the present sales tax rate and a revision of the four spun-off postal services. Newly added proposals are measures against the spread of the new strains of flu and measures to deal with damage caused by natural disasters, such as torrential rains.

Although the draft does not mention refueling operations by the Maritime Self-Defense Force in the Indian Ocean and anti-piracy operations off Somalia, the three parties discussed foreign affairs and security measures as well.

14) Okada, Naoshima are DPJ officials in charge of negotiations on change of power; Will Okada be appointed as foreign minister and Naoshima as finance minister?

SANKEI (Page 1) (Full)
September 3, 2009

The Democratic Party of Japan (DPJ) yesterday informed the government that DPJ Secretary General Katsuya Okada and DPJ Policy Research Committee Chairman Masayuki Naoshima are responsible respectively for "foreign affairs" and "financial affairs" as the persons to contact concerning negotiations for a smooth change from the current administration to a DPJ government. DPJ President Yukio Hatoyama will become the next prime minister on Sept. 16. All eyes are now focused on whether Okada and Naoshima will be appointed as foreign minister and finance minister in the Hatoyama cabinet.

Okada and Naoshima met Chief Cabinet Secretary Takeo Kawamura yesterday at the Prime Minister's Official Residence (Kantei) and requested that consultations be held on the transfer of power. In

the consultations, Okada will be in charge of "diplomatic schedules and disclosure of diplomatic information" and "crisis management," and Naoshima will be responsible for "cooperation on the compilation of budgets and information disclosure on the state of budget implementation." The government side decided to ask the deputy chief cabinet secretary for crisis management and administrative vice foreign and finance ministers explain the situation to Okada and Naoshima.

In the meeting, Okada handed to Kawashima a letter from Hatoyama letter calling for a smooth change of power to Prime Minister Taro Aso. He then asked the government to provide information on

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diplomatic schedules, measures against the H1N1 swine flu, and the process of implementation of the supplementary budget for fiscal 2009. Kawamura then said: "We will cooperate in principle for a smooth change of power." They agreed to launch consultations for the transition of power. Aso on Sept. 2 instructed Kawamura to cooperate with the DPJ.

After the meeting, Okada stated: "We have to start making preparations immediately for a smooth change of power. We need to grasp the present situation of the H1N1 flu, crisis management issues, and the budgets."

DPJ President Yukio Hatoyama considers chief cabinet secretary, foreign minister, finance minister, and minister in charge of the National Strategy Bureau (post to be created), which draft budgets and foreign policy, key government posts. It remains to be seen whether Okada will serve as foreign minister and Naoshima as finance minister.

15) Foreign, security policy potential source of future dispute in the coalition; DPJ proposals ambiguous throughout

YOMIURI (Page 2) (Slightly abridged)
September 3, 2009

The policy consultations among the Democratic Party of Japan (DPJ), the Social Democratic Party (SDP), and the People's New Party (PNP) toward the formation of a coalition government addressed countermeasures for the new influenza, disaster prevention, and foreign and security policies, in addition to the common policies the three parties compiled for the recent House of Representatives election. Although the three parties are aiming at reaching an agreement early next week, their differences in foreign and security policies, which have been shelved so far, have emerged. It is possible that the consultations will experience rough sailing.

Because the DPJ was criticized by the ruling parties during the election for failing to include foreign and security policies in the three parties' common policies, it has now (decided to do so). "Unless the three parties can show that they agree on security policy, which is a basic national policy, the people may feel uneasy," explained a senior DPJ official. Therefore, the DPJ has included foreign and security policies in the proposed coalition agreement.

However, the DPJ's proposals contain only abstract expressions - such as "build a close and equal Japan-U.S. relationship of alliance," "aim for establishing an East Asian community," and "take the lead in the eradication of nuclear arms and remove the threat of terrorism" - that the three parties can agree to. There is no mention of specific policies about which the DPJ and the SDP disagree, such as the continuation of the refueling mission by the Maritime Self-Defense Force in the Indian Ocean.

However, the SDP is poised to demand the inclusion of a solution to the problem of U.S. military bases in Japan and the three non-nuclear principles in its bid to demonstrate its distinctive character. The coordination process is expected to take time.

With regard to U.S. military bases in Japan, U.S. Department of State spokesman Ian Kelly has stated that the U.S. "has no intention to renegotiate with the Japanese government," indicating that a

change of plans is unacceptable. For this reason, some DPJ members strongly believe that there should be no compromise with the SDP that will result in constraints on Prime Minister Hatoyama when he visits the U.S. for a meeting with U.S. President Barack Obama in late September."

16) Nippon Keidanren asks DPJ not to make international pledge of 25 percent cut in greenhouse gas emissions

YOMIURI (Page 1) (Full)
September 3, 2009

The Japan Business Federation (Nippon Keidanren) on September 2 decided to ask the Democratic Party of Japan (DPJ) to take a cautious stance in international talks aiming to cut greenhouse gas emissions. It will incorporate this in a set of requests to the DPJ to be finalized at a meeting on September 14 between the chairman and the vice chairmen. It will also try to put pressure on the party at the working level.

The reason Nippon Keidanren is seeking a cautious environmental measure is that there is a growing view that DPE President Hatoyama might refer to his party's tough emissions cut goal at a summit-level meeting on climate change at the UN.

The DPJ adopted in its policy manifesto a goal of cutting emissions by 25 percent by 2020, compared with the 1990 level, which is stricter than the mid-term goal advocated by the government.

Nippon Keidanren opposed that goal, noting that such a strict goal would have an adverse impact on economic activities. The business federation is increasingly concerned that if Hatoyama refers to the 25 percent emissions cut at the meeting, his speech will be taken as a virtual public pledge and Japan might have to accept disadvantageous conditions, as a senior Nippon Keidanren member said.

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